

Export Outlook for Solid Wood Products

Revised FY 2006 Forecast: Unchanged at \$5.9 billion

Revised FY 2006 Forecast

Upside Developments

- Mexico's maquiladoras expected to use more US lumber
- EU hardwood & softwood market to continue gradual recovery
- Exports to Caribbean to increase as region rebuilds from hurricanes

Downside Developments

- Softwood lumber continues to face increased competition in Japan
- Hardwood exports to Malaysia losing market share to wood from Indonesia and China

Wild Card

- Impact of US housing starts

